



NYSE Listed Company Manual

Section 303A Corporate Governance Standards

Frequently Asked Questions

Revised July 28, 2021

Section A - Questions with Respect to Transition Periods

1. Reserved.

Reserved 1/4/10.

2. Reserved.

Reserved 1/4/10.

3. What are the transitions provided for a company that is listing in conjunction with an initial public offering (“IPO”)?

A company must be in compliance with all of the requirements of Section 303A as of the date the company’s securities first trade (trading may be regular way or when issued) on the NYSE (the “listing date”) unless a transition period is provided. Section 303A provides a transition period for, among others, a company listing in conjunction with an IPO. Specifically, Section 303A requires a company listing in conjunction with an IPO to have:

- At least a majority of independent members on its board within one year of the listing date (if Section 303A.01 is applicable).
- At least one independent member on its nominating committee and at least one independent member on its compensation committee by the earlier of the date the IPO closes or five business days from the listing date; at least a majority of independent members on each committee within 90 days of the listing date and fully independent committees within one year of the listing date (if Sections 303A.04 and 303A.05 are applicable).
- At least one independent member on its audit committee that satisfies the requirements of Securities Exchange Act Rule 10A-3 (“Rule 10A-3”), and if applicable, Section 303A.02, by the listing date; at least a majority of independent members on its audit committee within 90 days of the effective date of its registration statement and a fully independent audit committee within one year of the effective date of its registration statement (Section 303A.06).
- At least one member on its audit committee by the listing date; at least two members on its audit committee within 90 days of the listing date and at least three members on its audit committee within one year of the listing date (if Section 303A.07(a) is applicable).
- Its nominating, compensation and audit committee charters, corporate governance guidelines and code of business conduct and ethics available on or through its website by the earlier of the date the IPO closes or five business days from the listing



date (as Sections 303A.04, 303A.05, 303A.07(b), 303A.09 and 303A.10 are applicable).

Note: Section 303A and Rule 10A-3 have different definitions of an IPO. See FAQ A-4.

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4. Can a listed company avail itself of the IPO transition periods if it is already a reporting company?

A reporting company listing in connection with an IPO of its common stock may avail itself of the IPO transition periods other than the transition periods applicable to the requirements of Section 303A.06. This is because the Section 303A definition of an IPO differs from the Rule 10A-3 definition. Under Rule 10A-3, incorporated by the NYSE in Section 303A.06, the term IPO applies only to a company that was not immediately prior to the effective date of a registration statement required to be a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act"), even when it is listing its common equity securities on a U.S. market for the first time. For purposes of Section 303A (excluding Sections 303A.06 and 303A.12(b)), the NYSE considers a company to be listing in conjunction with an IPO if, immediately prior to listing, it does not have a class of common stock registered under the Exchange Act.

As a result, a previously reporting company must be fully compliant with the Section 303A.06 audit committee requirements as of the listing date and as such is precluded from including non-independent directors on its audit committee during the phase-in period. See FAQ A-3 for other transitions available to a company listing in conjunction with an IPO.

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5. Are the IPO transition periods applicable to a closed-end fund?

No. There are no IPO transition periods for a closed-end fund. A closed-end fund must be in full compliance with all of the applicable requirements of Section 303A as of the date the fund's securities first trade on the NYSE.

First published 1/29/04.

6. Is there a transition period for a company that transfers to the NYSE from another market?

For a company that transfers to the NYSE from another market, a distinction is made between a company that was previously registered under Section 12(b) of the Exchange Act and one that was previously registered under Section 12(g) of the Exchange Act. The transition periods are specified in Section 303A.00 Introduction – Compliance Dates.

There is no transition period for a company previously registered under Section 12(b) of the Exchange Act that transfers to the NYSE unless the market on which it was listed did not have the same requirements as the NYSE. In that case, the company has one year from the listing date to comply with any requirement that was not previously applicable. If the other exchange had a substantially similar requirement and the company was afforded a transition period that had not expired, the company will have the same transition period as



would have been available to it on the other exchange. The company must be in compliance with the audit committee requirements of Section 303A.06 by the listing date unless an exemption is available pursuant to Rule 10A-3.

There are certain transitions periods available to a company previously registered under Section 12(g) that transfers to the NYSE. Those transitions are the same as for a company listing in conjunction with an IPO except the applicable compliance dates run from the listing date and, since such a company would be a reporting company, only independent directors would be permitted on the audit committee during the transition period.

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7. What are the Section 303A transition periods for a foreign private issuer?

As specified in Section 303A.00, a foreign private issuer is only required to comply with Section 303A.06 (Rule 10A-3 compliant audit committee), Section 303A.11 (statement of significant differences disclosure), Section 303A.12(b) (noncompliance notification) and Section 303A.12(c) (written affirmations).

Rule 10A-3, which is incorporated into Section 303A.06, provides certain transitions for a foreign private issuer listing in conjunction with an IPO (as defined by Rule 10A-3 to be an issuer that was not, immediately prior to the effective date of a registration statement, required to be a reporting company under the Exchange Act). See FAQ A-4.

See FAQ H-1 for a discussion of when the company must comply with Section 303A.11.

Revised 1/4/10. First published 1/29/04.

8. Change in status for a controlled company or foreign private issuer.

A. When does a company have to fully comply with applicable Section 303A requirements if it ceases to qualify as a controlled company?

A controlled company is exempt from the requirements of Section 303A.01 (majority board independence), Section 303A.04 (fully independent nominating committee) and Section 303A.05 (fully independent compensation committee). If a controlled company ceases to qualify as such it will be able to phase in a majority independent board and independent nominating and compensation committees on the same schedule as a company listing in conjunction with an IPO except the applicable compliance dates run from the date the company's status changed as specified in Section 303A.00 Introduction – Compliance Dates.

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B. When does a company have to comply with applicable Section 303A requirements if it ceases to qualify as a foreign private issuer?

If a foreign private issuer ceases to qualify as such it may become subject to a number of Section 303A requirements to which it was not previously subject if its home country practice differed from applicable requirements of Section 303A. Depending upon the type of issuer these may include the requirement to have a majority of independent directors on its board,



fully independent nominating and compensation committees and/or members of the audit committee that must meet the NYSE Section 303A.02 independence standards. Such a company must be in compliance with applicable domestic company requirements of Section 303A within six months from the date it fails to qualify for foreign private issuer status. Pursuant to SEC Rule 240.3b-4 the foreign private issuer status test is conducted annually at the end of the company's most recently completed second fiscal quarter. Applicable compliance dates are specified in Section 303A.00 Introduction – Compliance Dates.

First published 1/4/10.

9. Reserved.

Reserved 1/4/10.

Section B - Questions on Website Posting, Disclosure, Certification and Written Affirmation Requirements

1. When is a company required to be in compliance with the Section 303A website posting and disclosure requirements?

Section 303A requires certain documents to be available on or through a listed company's website (nominating, compensation and audit committee charters, corporate governance guidelines and code of business conduct and ethics, as applicable). These documents must be made available in accordance with Section 303A.00 Introduction – Compliance Dates.

Section 303A also requires certain disclosures to be made in a company's annual proxy statement or, if a company does not file an annual proxy statement, in its annual report filed with the Securities and Exchange Commission ("SEC") (for example on Form 10-K). The required annual proxy statement/annual report disclosures must be made commencing with the first annual proxy statement/annual report filed with the SEC after the listing date.

Section 303A gives a company the option to make certain disclosures (Section 303A.02(b)(v) charitable contribution, Section 303A.03 presiding director, Section 303A.03 method of communication and Section 303A.07(a) service on more than three public company audit committees) available on or through its website or in its annual proxy statement/annual report.

See FAQ H-1 for a discussion of when a foreign private issuer must comply with Section 303A.11.

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2. Reserved.

Reserved 1/4/10.



3. Does the NYSE provide a form of the certification required by Section 303A.12(a) and when is it required to be submitted to the NYSE?

A form of the Domestic Company Section 303A Annual CEO Certification is specified. The CEO certification must be submitted simultaneously with the Domestic Company Section 303A Annual Written Affirmation; such forms must be submitted annually within 30 days of a company's annual shareholder' meeting. If the company does not normally hold an annual shareholders' meeting, the forms must be submitted within 30 days of the date the company files its annual report on Form 10-K with the SEC. The Domestic Company Section 303A Annual CEO Certification may be submitted electronically through egovdirect.com. A form of the certification is also available on www.nyx.com.

Revised 1/4/10. First published 1/29/04.

4. Does the NYSE require companies to continue to provide written affirmations in addition to the disclosure requirements of Section 303A ?

Yes. Section 303A.12(c) requires a company to submit a written affirmation annually to the NYSE. It also requires a company to submit an interim written affirmation as required by that form. The Domestic Company and Foreign Private Issuer Section 303A Annual and Interim Written Affirmations may be submitted electronically through egovdirect.com. Forms of all the affirmations are also available on www.nyx.com.

Revised 1/4/10. First published 1/29/04.

5. Are companies required to identify their independent directors by name?

Yes. Section 303A.02 requires a company to comply with the disclosure requirements of Item 407(a) of Regulation S-K.

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6. Does the Section 303A.02(b)(v) disclosure requirement regarding charitable contributions in excess of the stated thresholds apply only with respect to the listed company's independent directors or to all the company's directors?

The disclosure requirement only applies to independent directors.

First published 1/29/04.

7. Is a listed foreign private issuer required to provide written affirmations to the NYSE?

Yes. Section 303A.12(c) requires a foreign private issuer to submit a written affirmation annually to the NYSE. It also requires a foreign private issuer to submit an interim written affirmation as required by that form. The affirmations may be submitted electronically through egovdirect.com; forms of the affirmations are also available on www.nyx.com.

Revised 1/4/10. First published 2/13/04.

Section C - Questions Regarding Independence Determination

General

1. Reserved.

Reserved 1/4/10.

2. May a company take the position that any director who satisfies the bright line independence criteria set forth in Section 303A.02(b) is per se independent?

Such a blanket conclusion does not appear to be supportable.

Section 303A.02(a) requires a board to make independence determinations based on all relevant facts and circumstances. Even if a director meets all the bright line criteria set out in Section 303A.02(b), the board is still required under Section 303A.02(a) to make an affirmative determination that the director has no material relationship with the listed company. The criteria in Section 303A.02(b) were not intended to be an exhaustive list of circumstances or relationships that would preclude independence. To state categorically that those five criteria describe all the relationships or circumstances that are material to an independence determination may well raise concerns among shareholders regarding the thoroughness of the board's review of director independence. For these reasons, it does not appear appropriate for a company to take the position as a categorical matter that any director who passes the bright line tests is per se independent, or that all relationships other than those which would disqualify a director from being determined independent under Section 303A.02(b) are per se immaterial.

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3. The Section 303A.02(b) Commentary provides that any reference to a "company" includes its parent or subsidiaries in a consolidated group with the company.

A. If a listed company ceases to be part of a consolidated group with its former parent, from what date do you measure the look-back period for purposes of Section 303A.02(b)?

A relationship that would impair independence under Section 303A.02(b) ends on the date that the listed company ceases to be a part of a consolidated group with its former parent. Accordingly the look-back period should be measured from the date of deconsolidation. For example, if a director is employed by a former parent company of a listed company, the director's employment with a member of the consolidated group is deemed to end as of the date that the listed company ceases to be a part of the former parent's consolidated group, even if the director thereafter continues to be employed by the former parent. As a result, the director could not be deemed independent until three years after the date of deconsolidation.

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B. If a listed company acquires or merges with another company, can an employee of the company not listing its common equity securities on the



NYSE following the transaction be deemed independent for purposes of the listed company's board?

A relationship that would impair independence under Section 303A.02(b) does not exist for purposes of that section until a company that employs the director merges with, or becomes a parent or subsidiary of, a listed company. For example, a director who was an employee of a company not listing equity securities on the NYSE following a merger or acquisition transaction would be independent under Section 303A.02(b) if his or her employment relationship ended prior to, or concurrent with, the transaction. However, the prior employment relationship must be considered by the listed company's board under Section 303A.02(a) in evaluating that director's independence.

While this question pertains specifically to the Section 303A.02(b)(i) bright line independence test, the NYSE has applied the same logic to other Section 303A.02(b) bright line independence tests.

Revised 1/4/10. First published 1/29/04.

C. What does the NYSE mean by the term "consolidated group"?

The term consolidated group refers to a company, its parent or parents, and/or its subsidiaries that would be required under U.S. generally accepted accounting principles to prepare financial statements on a consolidated basis. To the extent that a parent or subsidiary is in a consolidated group with the listed company or such other company, the bright line tests of Section 303A.02(b) apply to those entities as though they were the listed company.

Revised 7/28/21. First published 1/29/04.

Definitions

4. What is the definition of officer or executive officer within the context of Section 303A?

The terms "officer" and "executive officer" have the meaning specified in Rule 16a-1(f) under the Exchange Act, whether or not the company in question is a public company.

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5. Section 303A provides exemptions from the nominating and compensation committee and majority board independence requirements for controlled companies. The term controlled company is defined as a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company. How does the NYSE define the term "group" in this context?

The NYSE will look to the concept of "group" set out in Section 13(d)(3) of the Exchange Act, and expects that generally a group would have an obligation to file on Schedule 13D or 13G with the SEC acknowledging such group status, including disclosure that the group acts as such in voting for the election of directors. The NYSE encourages any company that



seeks to claim controlled company status in the absence of such indicia to contact the NYSE.

Revised 1/4/10. First published 1/29/04.

6. Reserved.

Reserved 1/4/10.

7. How does the NYSE define the term “public company” for purposes of the Section 303A.07(a) Commentary?

The NYSE defines the term “public company” to include any company that is registered with the SEC under Sections 12(b) or 12 (g) of the Exchange Act and subject to the reporting obligations of the Exchange Act.

First published 1/29/04.

Section 303A.02(b)(ii) – direct compensation test

8. Should investment income be considered direct compensation for purposes of Section 303A.02(b)(ii)?

Dividend or interest income is investment income and, accordingly, not considered compensation for purposes of Section 303A.02(b)(ii).

First published 1/29/04.

9. Should the reimbursement of expenses be considered direct compensation for purposes of Section 303A.02(b)(ii)?

To the extent that reimbursed expenses are bona fide and documented, such amounts will not be considered direct compensation.

First published 1/29/04.

10. How should listed companies treat severance payments or non-compete arrangements in the context of Section 303A.02(b)(ii)?

When determining whether Section 303A.02(b)(ii) is applicable, the listed company must determine that there is or was an obligation for services by the director. Typically, a severance package or a non-compete arrangement is not contingent upon continued service. However, if the non-compete arrangement is part of, or entered into in connection with a consulting agreement that calls for continued service (even if that service is never rendered), this payment must be considered.

First published 1/29/04.



11. Are payments to an individual's business considered direct compensation under Section 303A.02(b)(ii)?

Section 303A.02(b)(ii) provides that direct compensation (other than director's fees) to a director of a listed company in an amount greater than \$120,000 precludes independence. The NYSE considers payments to an individual's solely owned business entity direct compensation. Whether or not an entity should be considered a solely-owned business is a fact and circumstance determination. Companies are encouraged to consult the NYSE with questions regarding specific fact patterns involving this issue.

Revised 1/4/10. First published 1/29/04.

12. What period must be used in applying Section 303A.02(b)(ii) relating to the payment of more than \$120,000 per year in direct compensation and how does that interact with the three-year look-back requirement?

The appropriate inquiry under Section 303A.02(b)(ii) is whether a director or his or her immediate family member has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the listed company (other than director fees and pension or deferred compensation as specified in the rule).

Revised 1/4/10. Revised 2/13/04. First published 1/29/04.

Section 303A.02(b)(iii) – auditor test

13. Is a former employee of the current auditor of a consolidated subsidiary of the listed company eligible for board independence under Section 303A.02(b)(iii)?

If the listed company is required under U.S. GAAP to consolidate the subsidiary into its financial statements and the former employee personally worked on the audit of the consolidated subsidiary, the individual would not be eligible to be deemed independent until the expiration of the applicable three year look-back period counted from the date the employment relationship was terminated.

Revised 1/4/10. First published 1/29/04.

Section 303A.02(b)(v) – business test

14. Please explain the “current employee” aspect of Section 303A.02(b)(v).

If the director is currently employed by a company that has, or within the past three most recently completed fiscal years had, a relationship with a listed company that resulted in payments or receipts in excess of the limits set forth in Section 303A.02(b)(v), the director cannot be deemed independent. It does not matter whether that company employed the director at the time the business relationship existed. Once the director's employment ceases, however, the director can be considered to be independent for purposes of Section 303A.02(b)(v), even if the relationship between the two companies continues.

Revised 1/4/10. First published 1/29/04.

15. Are loans from financial institutions to listed companies considered “payments” for purposes of Section 303A.02(b)(v)?

Loans from financial institutions are not considered payments for purposes of Section 303A.02(b)(v). Interest payments or other fees paid in association with such loans, however, would be considered payments.

First published 1/29/04.

16. Should companies aggregate payments made to and payments received from the listed company to measure against the director’s company’s revenues for purposes of Section 303A.02(b)(v)?

No. The director’s company should aggregate payments made to the listed company and measure such payments against the consolidated gross revenues of the director’s company in each fiscal year of the look back period. Payments received from the listed company should be aggregated separately and measured against the consolidated gross revenues of the director’s company in each fiscal year of the look back period.

First published 1/29/04.

17. Does the reference in the Section 303A.02(b)(v) Commentary to “the last completed fiscal year” mean the last completed fiscal year of the listed company or the last completed fiscal year of the director’s company?

Payments and consolidated gross revenues of the director’s company for its last completed fiscal year should be measured against the consolidated gross revenues of the director’s company’s last completed fiscal year. For example, the director’s company’s payments and revenues in 2003 should be compared to the director’s company’s consolidated gross revenues in 2003, 2002 payments and revenues should be compared to 2002 consolidated gross revenues and 2001 should be compared to 2001.

First published 1/29/04.

18. The Section 303A.02(b)(v) Commentary applies to payments/revenues of the director’s company as reported in the last completed fiscal year. In some cases, however, it may be impracticable for the listed company to obtain the most recently completed year-end financial statements of a director’s company prior to the printing and distribution of the listed company’s proxy statement. In such case, how is Section 303A.02(b)(v) applied?

Companies should use their reasonable best efforts to determine the director’s company’s expected payments and revenues for the last completed fiscal year, even if final financial statements are not available. However, if the listed company is unable to make a clear determination that the 2%/\$1 million threshold was not crossed by the director’s company in that company’s last completed fiscal year prior to the date that the listed company’s proxy statement is printed and distributed, the listed company should assume that the director is not independent.

First published 1/29/04.

- 19. Does the reference in the Section 303A.02(b)(v) Commentary to “the charitable organization’s consolidated gross revenues” include gross revenues from all sources (i.e., charitable contributions, ticket sales, investment portfolios and other activities) or is it limited to gross charitable donations?**

The reference includes gross revenues from all sources.

First published 1/29/04.

- 20. Please confirm whether the reference in the Section 303A.02(b)(v) Commentary to “contributions in any single fiscal year” is a reference to the fiscal year of the charitable organization or that of the listed company.**

The term refers to any single completed fiscal year of the charitable organization.

First published 1/29/04.

Section D - Questions on Section 303A.03 - Non-management/Independent Director Communication Requirements

- 1. What role can the listed company play in facilitating the “direct” communication with non-management/independent directors?**

Any employee (including the corporate secretary or general counsel) of the listed company can act as an agent for the non-management/independent directors of the board in facilitating direct communications to the board. In their capacity as agent, the employee could review, sort and summarize the communications. The listed-company employee, however, may not “filter out” any direct communications from being presented to the non-management/independent directors without instruction from such directors (and in such event, any communication that has been filtered out must be made available to any non-management/independent director who wished to review it). It would be inappropriate for an employee of the listed company to make independent decisions with regard to what communications are forwarded to the non-management/independent directors. The non-management/independent directors should establish procedures for how the listed company employee would deal with all direct communications, including if and when such communications should be shared with the listed company’s management.

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Section E - Questions on Section 303A.05 - Compensation Committee Requirements

- 1. Which employees are covered by the term “non-CEO” for purposes of Section 303A.05(b)(i)(B)?**

The term “non-CEO” refers to Section 16 officers (as defined in Rule 16a-1(f) of the Exchange Act) other than the chief executive officer. Compensation for employees who are not Section 16 officers may be set, but need not be set, by the compensation committee.

First published 1/29/04.



2. May listed companies reassign the responsibilities of the compensation committee to another committee?

Yes. A listed company may redirect the responsibilities of the compensation committee to another committee, provided that such other committee consists solely of independent directors that meet the requirements of Section 303A.02. The charter for such committee must include the provisions that would be required for the compensation committee's charter that are set forth in Section 303A.05(b) and must be made available on or through the listed company's website.

Revised 1/4/10. First published 1/29/04.

Section F - Questions on Section 303A.06/303A.07 - Audit Committee Requirements

1. Please discuss the difference between the SEC's requirements with regard to audit committee financial expert and the NYSE's audit committee requirements.

Each NYSE listed company audit committee member must be financially literate or become financially literate within a reasonable period of time after his or her appointment to the audit committee. Additionally, the NYSE requires one member to have "accounting or related financial management expertise."

As required by the Sarbanes-Oxley Act of 2002, the SEC adopted rules that require companies to disclose whether they have an "audit committee financial expert" on the audit committee and if not, why not. The term "audit committee financial expert" is defined in Item 407(d)(5)(ii) of Regulation S-K. Any director who satisfies the SEC's "audit committee financial expert" definition will be deemed to satisfy the NYSE's "accounting or related financial management expertise" requirement, although the opposite may not be true.

Revised 1/4/10. First published 1/29/04.

2. How is the term immediate family member defined for purposes of Section 303A.06?

The NYSE defines the term "immediate family member" for purposes of Section 303A.02 differently than that term is defined in Rule 10A-3 for audit committee purposes. As a result, companies must apply the NYSE's definition of immediate family member when evaluating compliance with Section 303A.02 and must apply the Rule 10A-3 definition when evaluating compliance with Section 303A.06.

First published 1/29/04.

3. What independence standards must be met in order for a director to qualify for service on a listed company's audit committee?

For a director of a U.S. company that has equity listed on the NYSE to serve on the audit committee, the director is required to meet all of the independence requirements of Section 303A.02, as well as the audit committee independence requirements of Section 303A.06 (unless an exemption under Rule 10A-3 is applicable). If a director fails to meet any of these applicable requirements, he or she cannot be deemed independent for audit committee service.

In the case of a director of an issuer that is not a U.S. company that has equity listed on the NYSE, such as a foreign private issuer or a U.S. company that lists securities other than equity securities on the NYSE, the director is only required to satisfy the audit committee requirements of Section 303A.06. See Section 303A.00 for a discussion of the audit committee requirements applicable to each type of entity listed on the NYSE.

Revised 1/4/10. First published 1/29/04.

Section G - Questions on Section 303A.10 – Code of Business Conduct and Ethics Requirements

- 1. Section 303A.10 requires any waiver from a company's code of business conduct and ethics granted to an executive officer or director to be promptly disclosed to shareholders. What constitutes prompt disclosure?**

Prompt disclosure is disclosure made within four business days of such determination. Such disclosure must be made by distributing a press release, providing website disclosure or by filing a current report on Form 8-K with the SEC.

Revised 1/4/10. First published 1/29/04.

Section H - Questions on Section 303A.11 - Foreign Private Issuer Statement of Significant Differences

- 1. Section 303A.11 requires a foreign private issuer to disclose any significant ways in which its corporate governance practices differ from those followed by a domestic company under NYSE standards. When must the company make this disclosure?**

A foreign private issuer that is required to file an annual report on Form 20-F with the U.S. Securities and Exchange Commission, must include its statement of significant corporate governance differences in Item 16G of its Form 20-F commencing with its first Form 20-F filed after listing on the NYSE.

All other foreign private issuers (those that file their annual report on Form 40-F or Form 10-K) are required to either: (i) include the statement of significant differences in an annual report filed with the SEC; or (ii) make the statement of significant differences available on or through the company's website and disclose that fact in the company's annual report filed with the SEC, providing the website address. If the company chooses to include the disclosure in its annual report, it must make the disclosure in its Form 40-F or Form 10-K commencing with its first Form 40-F or Form 10-K filed after listing on the NYSE. If the company chooses to include the required disclosure on its website, it must do so promptly after it makes that determination.

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2. If the foreign private issuer is a Form 40-F or Form 10-K filer that chooses to include its Section 303A.11 disclosure on its website, is it required to update such disclosure on an ongoing basis?

Yes. To the extent that the disclosure needs to be updated, the company must do so promptly after a change occurs.

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3. Can a foreign private issuer opt to comply with domestic corporate governance criteria?

Yes. If a foreign private issuer chooses to voluntarily comply with the NYSE domestic corporate governance standards, it may do so. However, the foreign private issuer must still comply with Section 303A.11, even if the company only states that there are no significant differences in its corporate governance practices. If a foreign private issuer wishes to state that there are no differences to disclose, the company must be in full compliance with all of the requirements of Section 303A.

First published 1/29/04.

4. Is the company required to compare the NYSE domestic corporate governance requirements to home country recommended best practices or to the specific practices followed by the company?

The company is required to compare the NYSE domestic corporate governance requirements against the specific practices followed by the company.

First published 1/29/04.

5. What general topics does the NYSE expect a foreign private issuer to cover in its Section 303A.11 disclosure statements? Will the NYSE be providing samples of disclosure that the NYSE believes to be appropriate under this requirement?

As indicated in Section 303A.11, a foreign private issuer is expected to provide a brief, general summary of the significant differences between the practices the company follows in its home country and the Section 303A corporate governance requirements applicable to U.S. companies. It would be sufficient for the company to present a point by point comparison of its specific practices against the domestic requirements of Section 303A, but the NYSE is not prescribing the form the disclosure must take. The NYSE will not be providing sample disclosure and expects that each company will develop disclosures appropriate to their own company.

First published 1/29/04.